



Manitoba

Office of the Provincial Auditor

THE PUBLIC TRUSTEE OF MANITOBA

Auditor's Report and Financial Statements
for the year ended March 31, 1988

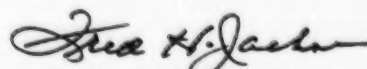


Manitoba

THE PUBLIC TRUSTEE OF MANITOBA
REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B, of The Public Trustee of Manitoba for the fiscal year ended March 31, 1988. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of affairs of the estates and trusts under jurisdiction of the Public Trustee as at March 31, 1988 and the cash receipts and disbursements for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.


F. H. Jackson, CA,
Provincial Auditor.

September 13, 1988
Winnipeg, Manitoba.

The Public Trustee of Manitoba

Balance Sheet of estates and trusts
under administration
as at March 31, 1988
(with 1987 figures for comparison)

A S S E T S		1988	1987
Cash on hand and in bank:			
General	\$	830,925	\$ 316,692
Accountable advance		2,069	401,495
		832,994	718,187
Expenditures recoverable from estates and trusts (Note 2 (a))		8,006	7,678
Investments (Note 6)		85,842,815	79,648,158
Annuity contracts (Note 2(d))		2,262	2,242
Accounts receivable (Note 2(e))		140,629	100,962
Rentals receivable (Note 2(e))		15,905	2,200
Notes receivable, principal (Note 2(f))		147,768	121,171
Mortgages and agreements receivable (Note 2(f))		139,520	70,040
Interests in other estates (Note 2(g))		415	3,546
Real estate (Note 2(h))		5,074,682	3,044,043
	\$	92,204,996	\$83,718,227
L I A B I L I T I E S			
Liabilities of estates:			
Mortgages, notes and agreements payable (Note 2(i))	\$	7,732	\$ 88,892
Public Trustee, fees payable (Note 3)		22,792	18,780
		30,524	107,672
Government of the Province of Manitoba:			
The Public Trustee accountable advance		10,000	10,000
Administrative fees payable (Note 2(B))		60	399,173
		10,060	409,173
Estates and trusts under administration: (Note 2)			
Excess of recorded value of assets over liabilities:			
The Mental Health Act		64,451,106	57,815,836
The Public Trustee Act		27,713,306	25,385,546
	\$	92,204,996	\$83,718,227

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Statement of Cash Receipts and
Disbursements
for the year ended March 31, 1988
(with 1987 figures for comparison)

R E C E I P T S

	1988	1987
Funds held by estates and trusts brought under administration	\$ 8,028,785	\$ 7,923,254
Realization of equities in other estates	1,282,775	924,642
Pensions, compensation and assistance	11,335,840	10,260,995
Sickness, disability and other insurance benefits	1,487,627	1,261,796
Collections on account of:		
Accounts receivable	81,050	56,082
Rentals and leases receivable	171,856	178,294
Mortgages and agreements receivable	47,830	31,079
	300,736	265,455
 Sale of chattels	 199,422	 86,563
Sale of real estate	2,209,793	1,406,634
Interest - bonds and investment certificates	8,709,433	8,290,239
Dividends	82,369	114,454
Bank interest	94,372	70,222
 Total receipts, before sale or redemption of securities	 33,731,152	 30,604,254
Sale or redemption of securities	70,511,256	50,571,608
Cash on hand and in bank at beginning of year	316,692	1,157,893
	<u>\$104,559,100</u>	<u>\$82,333,755</u>

EXHIBIT B

DISBURSEMENTS

	1988	1987
Payments on account of:		
Accounts payable discharged	\$ 193,457	\$ 156,457
Mortgages and agreements payable	237,731	119,687
Real estate purchases	7,510	30,435
	438,698	306,579
Maintenance:		
Maintenance incurred in hospitals prior to June 30, 1958 (Note 8)	(5,213)	141,582
Board, room and other expenses (Note 4)	12,082,741	10,653,019
	12,077,528	10,794,601
Preservation of estates:		
Realty and income taxes	826,654	843,547
Insurance	75,283	46,877
Repairs	188,042	66,600
Sundry	688,691	597,531
	1,778,670	1,554,555
Support of dependents	69,107	72,524
Administration and passing of accounts (Note 3)	2,692,417	2,602,893
Burial expenses	645,913	556,057
Estates and trusts released from administration	10,117,570	8,454,163
Total disbursements, before purchase of securities	27,819,903	24,341,372
Purchase of securities	75,908,272	57,675,691
Cash on hand and in bank at end of year	830,925	316,692
	<u>\$104,559,100</u>	<u>\$82,333,755</u>

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Notes to Financial Statements
March 31, 1988

1. Role and Objective

The Public Trustee acts on behalf of persons affected by various disabilities, mental disorders, age and death. The Public Trustee is considered to be an appointment of last resort and therefore provides a public service, generally, where there is no competent or acceptable person available to provide the required service.

2. Significant Accounting Policies

Statement of Cash Receipts and Disbursements

The Statement of Cash Receipts and Disbursements reflects cash transactions which have occurred during the year for estates and trusts under administration.

Balance Sheet

The Balance Sheet reflects the position on a modified accrual basis with the following exceptions:

A. Assets

All known assets are included in the Balance Sheet except for chattels, which are accounted for in separate accounting records, and accruals on investment earnings.

B. Liabilities

Liabilities are only recorded on the Balance Sheet where accounts are due to the Government of the Province of Manitoba, and in respect of mortgages, notes and agreements payable described in Note 2(i).

The net recorded value of the estates and trusts under administration is governed by the valuation criteria described on the Balance Sheet as well as the following evaluation and accounting policies:

a) Expenditures Recoverable from Estates and Trusts

Expenditures recoverable from estates and trusts represent disbursements made on behalf of estates or trusts for which funds were not immediately available; these expenditures will be charged to the estates or trusts concerned in due course when funds become available. If funds do not become available, these expenditures are recovered from an appropriation of the Department of the Attorney-General, Government of the Province of Manitoba.

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Notes to Financial Statements
March 31, 1988

b) Common Fund Investments

Investments of the common fund, established pursuant to Section 11(1) of The Public Trustee Act, are restricted to securities and loans authorized under The Trustee Act. Common fund investments are recorded at cost, adjusted for the amortization of premiums or discounts on purchase on a straight-line basis over the remaining term to maturity of the security. Earnings are distributed semi-annually to the individual estates and trusts on a pro rata basis.

c) Shares of Capital Stock and Mutual Funds

(i) Mental Health and Infant Trusts

The basis of valuation of shares assumed under administration prior to December 22, 1971 is at Valuation Day prices (market value as at December 22, 1971), except shares for which no Valuation Day price exists. Shares are then recorded at cost, if available, or at a nominal value of \$1.00.

Shares assumed under administration since December 22, 1971 have been recorded at the market value as at the date of assumption or at a nominal value of \$1.00 where market value is not readily available.

All shares purchased by the Public Trustee are recorded at cost.

(ii) Estates of Deceased Persons

Shares forming part of estates of deceased persons assumed under administration have been recorded at the market value as at the date of death. Shares purchased by the Public Trustee are recorded at cost. Where no market value exists, nominal values of \$1.00 are used.

Shares recorded at Valuation Day prices (December 22, 1971), assumed under administration since December 22, 1971, and purchased by the Public Trustee, amount to \$1,851,625 (1987 - \$2,247,342), with the balance of the account representing share certificates of a nominal value of \$1.00 each.

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Notes to Financial Statements
March 31, 1988

d) Annuity Contracts

Determinable receivables amount to \$1,885 at March 31, 1988 (1987 - \$1,885), with the balance of the account represented by receivables recorded at a nominal value of \$1.00 each.

e) Accounts Receivable and Rentals Receivable

Determinable accounts receivable and rentals receivable amount to \$155,815 at March 31, 1988 (1987 - \$102,533), with the balance of the account represented by accounts and rentals receivables recorded at a nominal value of \$1.00 each.

f) Notes, Mortgages and Agreements Receivable

Notes, mortgages and agreements receivable reflect the amount of principal and interest due and unpaid at the time each estate was brought under administration, less any payments subsequently received. Interest due and accrued during administration is not recorded by the Public Trustee until such time as it is received.

g) Interests in Other Estates

Determinable interests in other estates amounts to \$356 at March 31, 1988 (1987 - \$3,492), with the balance of the account represented by interests in other estates recorded at a nominal value of \$1.00 each.

h) Real Estate

Real estate is valued at estimated market value and amounts to \$5,074,403 at March 31, 1988 (1987 - \$3,043,726); the balance of the account, represented by burial plots, mines and mineral rights and mobile homes are recorded at a nominal value of \$1.00 each.

i) Mortgages, Notes and Agreements Payable

Mortgages, notes and agreements payable are recorded in instances where the possibility exists that payments may be made on account of these liabilities. Interest due and accrued during administration is not recorded until it is paid.

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Notes to Financial Statements
March 31, 1988

3. Administration Fees

Under Section 14 of The Public Trustee Act, the Public Trustee may determine reasonable charges based on the services provided to the estates and trusts under his administration. Charges are made annually on the aforementioned basis to each estate and trust on its anniversary date of enrollment with the Trustee, except those estates and trusts which do not have sufficient funds, where the charges are either reduced or not made.

The Government of the Province of Manitoba requested that the total costs of the Public Trustee's Office be fully recovered by means of these administration fees. These fees are remitted to the Government of the Province of Manitoba when funds become available in each estate and trust.

4. Board, Room and Other Expenses

Board, room and other expenses reflect payments made for current general living expenses, including clothing, comforts, medical, nursing home costs, etc., during periods of supervision, probation and hospitalization.

5. Administration Costs

Administration costs of the Public Trustee of Manitoba are paid out of appropriations of the Government of the Province of Manitoba and are not reflected in these financial statements. Where appropriate, these costs are recovered from estates and trusts in a manner as explained in Note 3.

6. Investments

	<u>1988</u>	<u>1987</u>
Common fund investments (Notes 2 (b) and 7)	\$71,869,699	\$67,182,224
Term deposits, investment certificates and treasury bills, at par value	3,676,788	2,079,433
Government of Canada and other bonds, at par value	8,444,703	8,139,089
Shares of capital stock and mutual funds (Note 2(c))	<u>1,851,625</u>	<u>2,247,412</u>
	<u>\$85,842,815</u>	<u>\$79,648,158</u>

GOVERNMENT OF THE PROVINCE OF MANITOBA

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Notes to Financial Statements
March 31, 1988

7. Common Fund - Summary of Investments (Note 6)

The investments of the Common Fund consist of the following:

	<u>1988</u> <u>Par Value</u>	<u>1988</u> <u>Book Value</u>	<u>1987</u> <u>Book Value</u>
Term deposits and investment certificates	\$ 6,600,000	\$ 6,600,000	\$ 8,600,000
Government of Canada bonds	38,575,000	40,466,492	34,768,415
Province of British Columbia bonds	2,850,000	2,942,030	1,404,661
Province of Manitoba bonds	200,000	199,388	4,387,218
Province of Ontario bonds	1,900,000	1,899,828	1,897,925
Province of Quebec bonds	1,000,000	996,797	-
Ontario Hydro-Electric bonds	17,827,000	18,252,905	14,891,816
Federal Business Development Bank	500,000	512,259	533,225
Federal Business Development Bank Euro-Canadian debentures	-	-	698,964
	<u>\$69,452,000</u>	<u>\$71,869,699</u>	<u>\$67,182,224</u>

8. Maintenance Incurred in Hospitals Prior to June 30, 1958

Debts owing by individuals to the Government of the Province of Manitoba for services provided by hospitals up to June 30, 1958 were cancelled and discharged pursuant to Order-in-Council 852/88.

9. Statutory Fees and Costs

Under Section 3(3) and Section 4 of the Public Trustee Act and Section 12 of the Infant Trust Act, the Public Trustee of Manitoba provides legal services for estates and trusts not under his administration. Fees and court awarded costs collected and remitted to the Government of the Province of Manitoba amounted to \$13,216 for the year ended March 31, 1988 (1987 - \$28,047). These amounts are not reflected in the financial statements.